

Message Text

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TO ALL DIPLOMATIC AND CONSULAR POSTS IMMEDIATE

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INFORM CONSULS

E.O. 11652: N/A

TAGS: ETRD

SUBJECT: TEXT OF PRESS RELEASE ON U.S. GENERALIZED
SYSTEM OF PREFERENCES

1. FOLLOWING IS TEXT OF PRESS RELEASE, JOINTLY ISSUED
TODAY BY DEPARTMENT AND OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS (STR), ENTITLED "PRESIDENT DESIGNATES
DEVELOPING COUNTRIES FOR GENERALIZED TARIFF PREFERENCES":

2. BEGIN TEXT. PRESIDENT FORD TODAY SIGNED AN EXECUTIVE
ORDER DESIGNATING 89 COUNTRIES AND 43 DEPENDENT TERRITORIES
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AS BENEFICIARY DEVELOPING COUNTRIES FOR THE PURPOSE OF

PARTICIPATING IN THE NEW UNITED STATES SYSTEM OF GENERALIZED TARIFF PREFERENCES. ISSUANCE OF THIS EXECUTIVE ORDER WILL PERMIT THE PUBLICATION IN THE FEDERAL REGISTER AND THE TRANSMITTAL TO THE INTERNATIONAL TRADE COMMISSION OF A LIST OF ARTICLES TO BE CONSIDERED FOR PREFERENTIAL TARIFF TREATMENT IN THE U.S. MARKET.

3. THE TRADE ACT OF 1974 AUTHORIZES THE PRESIDENT TO JOIN WITH EIGHTEEN OTHER DEVELOPED COUNTRIES IN IMPLEMENTING A GENERALIZED SYSTEM OF PREFERENCES (GSP). THE U.S. SYSTEM WILL PROVIDE DUTY-FREE TREATMENT, WITHIN CERTAIN SPECIFIED

LIMITS, FOR IMPORTS OF A BROAD RANGE OF MANUFACTURES AND SEMI-MANUFACTURES AND OF SELECTED AGRICULTURAL AND PRIMARY INDUSTRIAL PRODUCTS FROM DEVELOPING COUNTRIES FOR A PERIOD OF UP TO TEN YEARS, FOR THE PURPOSE OF STIMULATING THEIR ECONOMIC DEVELOPMENT AND IMPROVING U.S. ECONOMIC RELATIONSHIPS WITH THEM.

4. AN IMPORTANT U.S. FOREIGN POLICY OBJECTIVE IS TO FACILITATE THE ECONOMIC DEVELOPMENT OF LESS DEVELOPED NATIONS. TARIFF PREFERENCES WILL PROVIDE ADDITIONAL EXPORT OPPORTUNITIES TO THESE COUNTRIES AND ENCOURAGE THEM TO SHIFT FROM RELIANCE ON PRODUCTION AND EXPORT OF AGRICULTURAL AND PRIMARY INDUSTRIAL PRODUCTS TO MORE BROADLY BASED INDUSTRIAL GROWTH. IMPLEMENTATION OF A SYSTEM OF TARIFF PREFERENCES IS PARTICULARLY IMPORTANT TO THE U.S. POLICY OF EXPANDED TRADE RELATIONS WITH THE DEVELOPING COUNTRIES IN THIS HEMISPHERE AS WELL AS WITH THOSE IN OTHER PARTS OF THE WORLD. ALSO, TWO-WAY TRADE TENDS TO EXPAND AS NATIONS MOVE UP THE LADDER OF PRODUCTION AND STRENGTHEN THEIR ECONOMIES. UNITED STATES TRADE SHOULD THEREFORE ALSO BENEFIT.

5. THE DESIGNATION OF BENEFICIARY COUNTRIES AND THE PUBLICATION OF POTENTIALLY ELIGIBLE ARTICLES ARE REQUIRED PROCEDURAL STEPS IN IMPLEMENTING THE PREFERENCE SYSTEM. DURING THE NEXT SEVERAL MONTHS, THE INTERNATIONAL TRADE COMMISSION (ITC--FORMERLY THE TARIFF COMMISSION) WILL HOLD PUBLIC HEARINGS AND ADVISE THE PRESIDENT WITH UNCLASSIFIED

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RESPECT TO THE PROBABLE DOMESTIC ECONOMIC IMPACT OF GRANTING PREFERENCES FOR THE ARTICLES UNDER CONSIDERATION. THE ADMINISTRATION ALSO WILL HOLD PUBLIC HEARINGS CONCERNING THE PRODUCT COVERAGE OF THE PREFERENCE SYSTEM.

6. THE TRADE ACT PROHIBITS THE GRANTING OF PREFERENCES TO ARTICLES WHICH THE PRESIDENT DETERMINES TO BE IMPORT-

SENSITIVE, AS WELL AS SEVERAL DEFINED CATEGORIES OF IMPORT-SENSITIVE ARTICLES. THE LIST NOW TO BE PUBLISHED CONTAINS ALL MANUFACTURES AND SEMI-MANUFACTURES EXCEPT TEXTILES, FOOTWEAR, WATCHES, IMPORT-SENSITIVE STEEL AND ARTICLES SUBJECT TO IMPORT RELIEF AND NATIONAL SECURITY ACTIONS. IN ADDITION TO THE PRODUCTS LISTED ABOVE, IMPORT-SENSITIVE GLASS AND ELECTRONICS ITEMS ARE EXPLICITLY EXCLUDED BY LAW FROM GSP. ADMINISTRATION DECISIONS AS TO WHAT PRODUCTS, IN ADDITION TO THOSE NOW EXCLUDED FROM THE LIST, MAY BE IMPORT-SENSITIVE WILL BE MADE FOLLOWING THE PUBLIC HEARINGS AND RECEIPT OF ADVICE FROM THE INTERNATIONAL TRADE COMMISSION. ANY ARTICLE ON THE LIST MAY BE REMOVED BY THE ADMINISTRATION AT THAT TIME.

7. IN ADDITION TO DESIGNATING BENEFICIARY COUNTRIES, THE EXECUTIVE ORDER LISTS 24 OTHER COUNTRIES WHOSE ELIGIBILITY IS UNDER ACTIVE CONSIDERATION, AND REQUESTS ITC CONSIDERATION OF THE IMPACT OF DUTY-FREE IMPORT OF ARTICLES UNDER CONSIDERATION FROM THOSE COUNTRIES AS WELL. THIS LIST INCLUDES ALL MEMBERS OF THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (OPEC) AND SEVERAL OTHER COUNTRIES WHICH MAY BE AFFECTED BY THE ELIGIBILITY PROVISIONS OF THE TRADE ACT WHICH DENY PARTICIPATION IN THE U.S. PREFERENCE SYSTEM TO COUNTRIES WHICH ENGAGE IN SUCH ACTIONS AS EXPROPRIATION OF U.S. PROPERTY IN VIOLATION OF INTERNATIONAL LAW OR WHICH GRANT MORE FAVORABLE TREATMENT TO IMPORTS FROM OTHER DEVELOPED COUNTRIES. COMMUNIST COUNTRIES ARE INELIGIBLE FOR PREFERENCES UNLESS THEY RECEIVE MOST-FAVORED-NATION TARIFF TREATMENT IN THE U.S. MARKET, ARE MEMBERS OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE AND THE INTERNATIONAL MONETARY FUND, AND ARE NOT "DOMINATED OR CONTROLLED BY INTERNATIONAL COMMUNISM."

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8. THE PRESIDENT AND SECRETARY KISSINGER HAVE EXPRESSED CONCERN REGARDING CERTAIN PROVISIONS OF THE GSP AUTHORITY CONTAINED IN THE TRADE ACT, PARTICULARLY THOSE WHICH RELATE TO OIL-PRODUCING COUNTRIES. THE PRESIDENT ANNOUNCED WHEN SIGNING THE TRADE ACT THAT: "IN THE SPIRIT OF COOPERATION WITH THE CONGRESS, I WILL DO MY BEST TO WORK OUT ANY NECESSARY ACCOMMODATIONS." CONSULTATIONS BETWEEN THE ADMINISTRATION AND THE CONGRESS ON POSSIBLE WAYS TO WORK OUT SUCH ACCOMMODATION ARE MAKING GOOD PROGRESS. END TEXT. KISSINGER

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